



3 9999 06588 834 7

GOVDOC

 W3/B16
 EDIC
 9/5
EDIC/Boston*Boston's Economic Development Agency*

43 Hawkins Street • Boston, MA • 02114 • (617) 635-3342

FAX (617) 635-4286

ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION

Investing in Human Development
Promoting Economic Self-Sufficiency

Status Report and Funding Strategy



Raymond L. Flynn
Mayor of Boston

Donald A. Gillis
Executive Director

EDIC/Boston

Economic Development and
Industrial Corporation of Boston
Stuart J. Vidockler, Chairman
Kevin C. Phelan, Vice Chairman
Marguerite H. Connaughton
Robert W. Consalvo
J.D. Nelson
Arthur F.F. Snyder
Fletcher H. Wiley, Esq.

DRAFT

November 1991

COUNCILOR BRIAN McLAUGHLIN
BOSTON CITY COUNCIL
BOSTON CITY HALL
ONE CITY HALL PLAZA
COUNCIL CHAMBERS, 5th FLOOR
BOSTON, MA 02201

"A new war must be waged. One which focuses on jobs and economic empowerment. Underserved communities must develop the capacity to create new jobs and economic benefits through their own enterprise."

Mayor Raymond L. Flynn

ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION
Investing in Human Development----Promoting Economic Self-Sufficiency
Status Report and Funding Strategy

Overview

The Economic Development and Industrial Corporation (EDIC) is the City of Boston's economic development agency. EDIC's mission is to strengthen the public-private partnership to create jobs and income to be shared by all of Boston's residents. EDIC's economic development strategy integrates its development, financing, business assistance, job training, placement, and human services programs in order to comprehensively promote economic health and growth for Boston and all of its neighborhoods.

The merger of EDIC and the Mayor's Office of Jobs and Community Services (JCS) in July of 1990 created an opportunity to build upon the strengths of JCS-funded programs to craft a coordinated and accessible system which promotes economic self-sufficiency for Boston residents. A systematic analysis of EDIC's job training, education, and support services programs has identified a large number of effective, community-based programs, which offer valuable essential services to thousands of Boston residents. However, an environment of increasing need, combined with scarce resources, requires that EDIC and community-based organizations work together to develop new partnerships and an integrated system that more comprehensively meets the needs of Boston residents, families, businesses, and neighborhoods.

The ten-year urban disinvestment policy pursued by the Federal government has taken a dramatic toll on Boston's employment and human service delivery systems. In 1981, the City of Boston received \$27 million in Federal job training funds, along with \$5 million in CDBG human service funds. In 1991, Boston's share of Federal job training funds had shrunk to \$2.6 million, along with just over \$3 million in CDBG human service funds.

Structural changes in the economy of the Commonwealth have added to the barriers to economic self sufficiency for many Boston residents. Over the ten year period between 1981 and 1991, Boston's unemployment rate fluctuated between a low of 3.2% in 1987 to a peak this year of 9.2%. The erosion of 80,000 metropolitan Boston manufacturing jobs has been devastating to the employability of neighborhood residents, particularly to those with limited education and low skills.

As problems in Boston and other major U.S cities mount, it is clear that improving service delivery and systems is not enough. The lack of resources, compounded by economic hard times, exacerbates the pressures upon our neighborhoods and their most vulnerable residents. EDIC and community-based organizations must continue to sound our message that current funding levels for education and human services

programs hamper our ability to promote economic self-sufficiency for those whom we serve.

Despite substantial improvement in annual earnings of Massachusetts workers over the past decade, one in five Boston families continues to have incomes below the poverty line. At particular risk for poverty are children, families headed by a single parent, the disabled, linguistic minorities, the disabled, the homeless, and both youth and adults with low educational attainment. These populations, along with the elderly, will be the priority populations to be served under CDBG.

A Three-Year Strategy to Promote Economic Self-Sufficiency

1990-91: EDIC took major steps to stabilize funding for priority areas in light of the history of Federal cutbacks. Maintaining local, as opposed to state, control of CDBG funding will ensure that local priorities are established and addressed.

The emphasis on coordination of services which promotes the economic self-sufficiency of Boston families is featured in EDIC's Job Training Partnership Act (JTPA) and Alternative Education programs funded in 1991. Hard to serve target populations such as linguistic minorities, the physically challenged, at-risk youth, BHA residents, minority males, and single heads of household were prioritized for services. New programmatic emphasis was placed upon pre-vocational services for adults, in order to remove barriers for many residents who required services which would prepare them for higher level skills training.

Expanding internal and external capacity was also a priority in FY 91. Of the \$1 million in increased Boston JTPA funding, over half was allocated to services to youth---25% of the increase went toward the development of pre-vocational training for adults. Increased employer involvement in skills training programs will help to ensure that participants will receive training which corresponds to the requirements of industry.

In order to enhance the ability of local organizations to deliver services, new collaboratives were developed and additional resources were leveraged. A Neighborhood Jobs Trust (NJT) request for job training proposals in the fall of 1990 included an emphasis on linkages among skills training programs, employers, and human service providers. NJT funds were designated as resources to fill service gaps for populations identified as difficult to serve, including out-of-school youth, the working poor, and minority males. Utilizing \$400,000 of available linkage funds, EDIC successfully expanded the capacity of our resources by leveraging \$1 million in private matching funds for twelve new and innovative job training programs serving over 1,000 Boston residents.

EDIC has retooled its **program management system** and service area priorities in response to input from thousands of groups and individuals. The EDIC internal systems reviews and reorganization has been complemented by a series of community hearings and meetings held in ten neighborhoods during 1990. These hearings were conducted in order to hear first-hand from Boston residents and employers their perceptions of problems affecting them, their families, and their neighborhoods---and to identify the role of the economic development agency in meeting these needs.

Also during 1990, EDIC began a series of discussions with other **key local funders**, including foundations, corporate funders, and public agencies, in order to examine how service delivery could be enhanced through **collaborative planning**. This year, by working closely with the Boston Foundation, city departments, and the Healthy Boston program, we are participating in a series of focus groups and community meetings to continue to hear residents' perceptions of their neighborhoods' human services, education, economic development, and family support needs. One desired outcome of this approach will be the fostering of **neighborhood-based coalitions** which will identify problems, plan solutions, advocate for change, and coordinate services at the most local level.

In **1991-1992**, EDIC will continue to concentrate its efforts to promote economic self-sufficiency to youth and other groups by maximizing resources and **promoting public-private-community based collaboratives**. A major focus in 1991-92 is the fostering of partnerships among key employers in emerging industries and local training organizations.

An example of the collaborative approach is EDIC's leveraging of over \$1 million in Department of Medical Security funding to develop thirteen training and support services programs which will prepare over 650 Boston residents for careers in the health care industry. The programs feature partnerships among major Boston teaching hospitals, community-based organizations, the Boston Public Schools, and higher education institutions. These partnerships will focus their efforts on youth, the working poor, linguistic minorities, and the physically challenged.

The effectiveness of public-private partnerships in expanding the capacity of the employment and training system has been established. Collaboration among agencies and organizations has been shown to result in delivering more integrated services to clients. Given the need to continue to expand capacity and leverage additional resources, while meeting residents' needs more comprehensively, EDIC will encourage collaboration and partnerships in the CDBG program.

1992-1993: An integral component of EDIC's strategy is the integration of human service programs with economic development activities such as development, financing, and business assistance. By strengthening the relationship between job training/human service providers and Boston's major employers, by nurturing the growth of neighborhood businesses, and by promoting Boston as a good location for

manufacturing business, EDIC will continue to work toward the objective of promoting economic self-sufficiency for Boston residents. Simultaneously, through public-private partnerships with key employers in emerging industries, EDIC will provide Boston businesses with ready access to a high quality pool of well-trained workers.

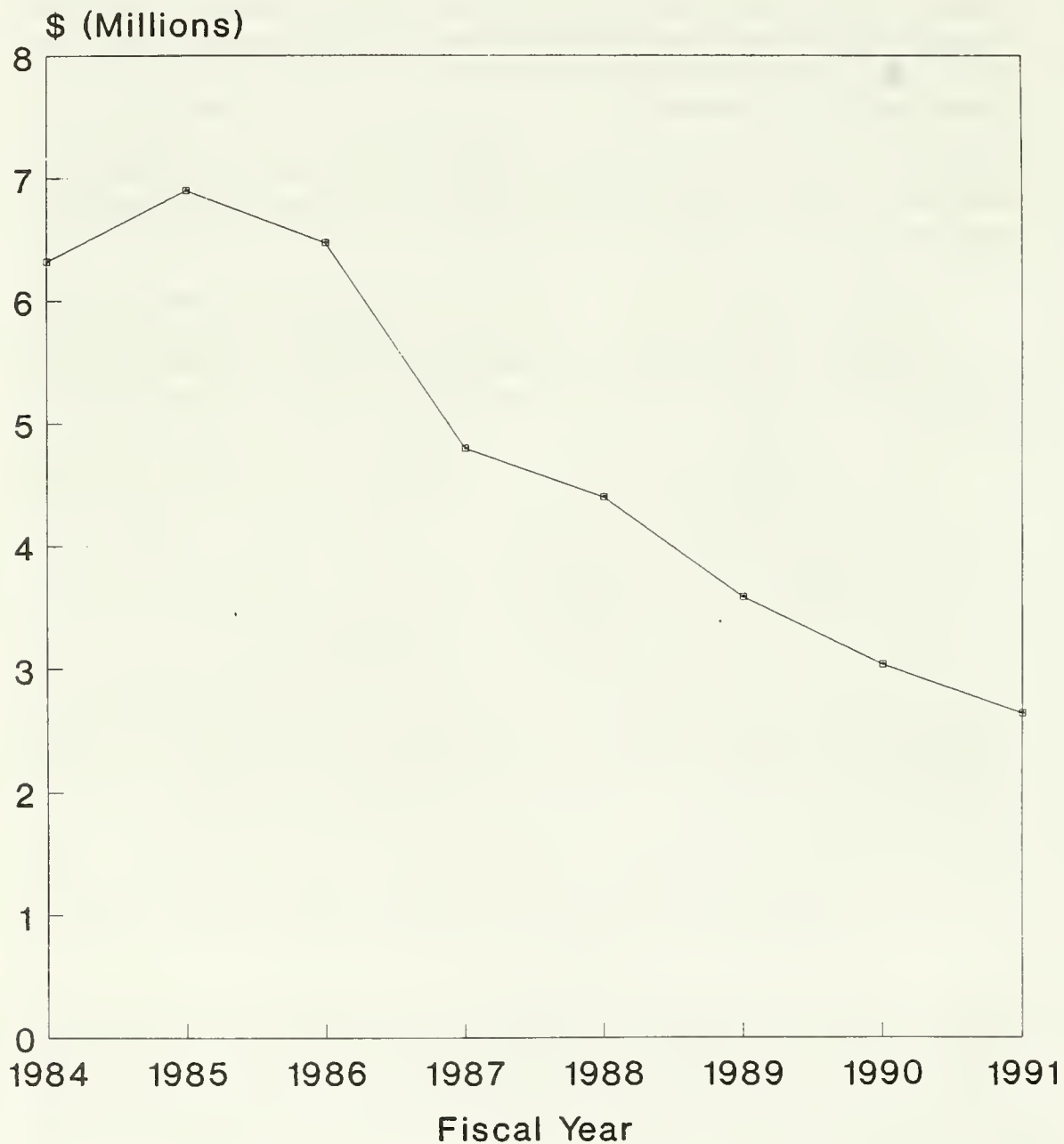
The CDBG program provides resources and a programmatic foundation which supports an economic self-sufficiency system for Boston residents. By targeting CDBG resources toward removing educational and social barriers to residents' economic self-sufficiency, while linking CDBG to other EDIC economic development tools, we hope to substantively improve the economic and social well-being of low-income families and communities.

In 1992-93, we will continue to aim toward realizing a critical mass of service delivery which meets greater number of residents' needs more comprehensively and over longer periods of time. These objectives are:

- Identify gaps in service, and support and develop programs which use an integrated services approach to individual clients, families, and communities
- Integrate CDBG, JTPA, JOBS, and other public funds to develop a greater capacity for organizations to serve a maximum number of Boston residents.
- Leverage additional resources by working together with other key local funders, universities, and national foundations in areas of identified need and in targeted neighborhoods.
- Continue to forge new collaboratives and partnerships, including key industry collaboratives in job growth areas.
- Continuously monitor and evaluate program performance in order to improve accountability, responsiveness, and effectiveness.

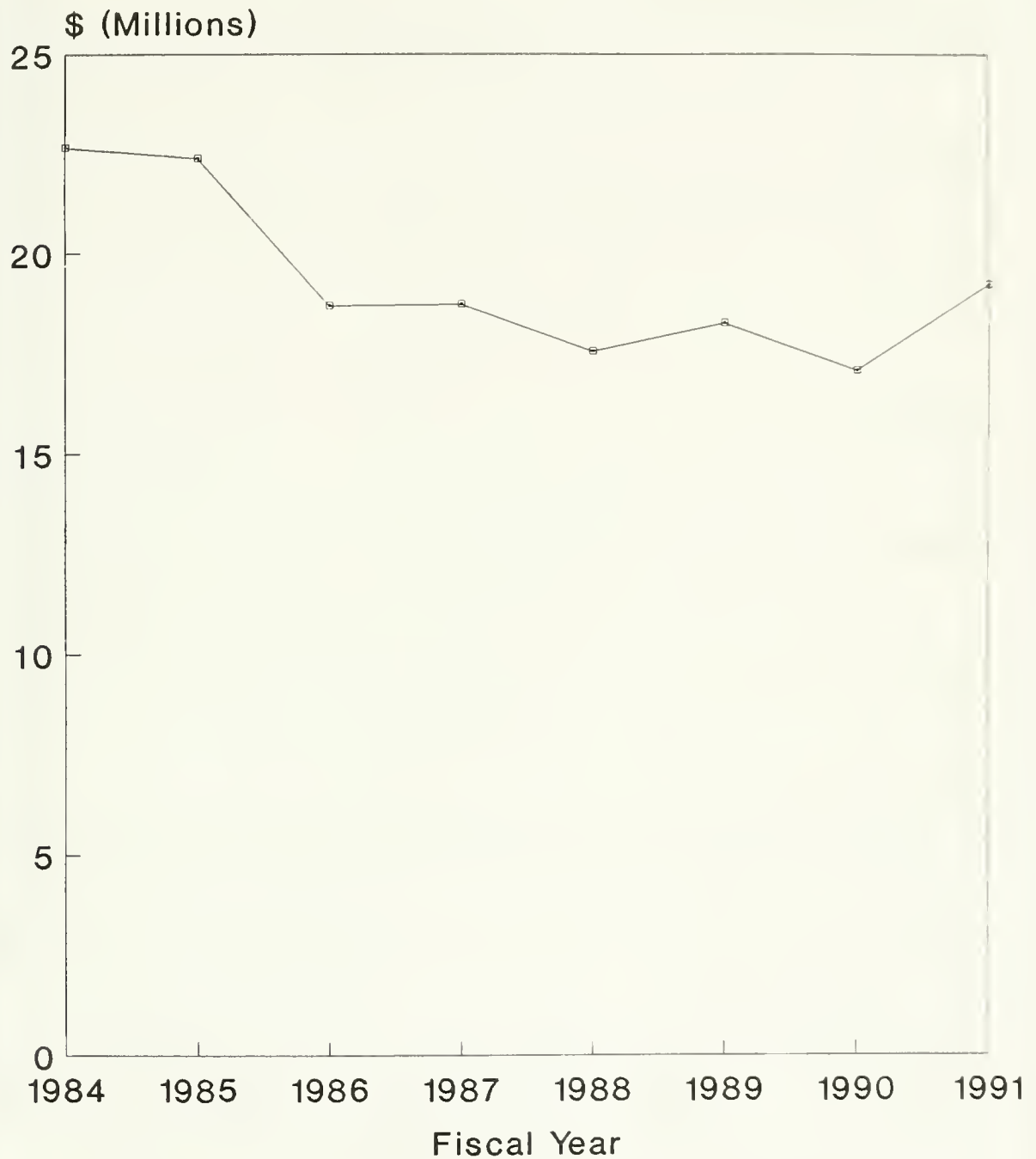
The overall goal of these objectives is to eliminate fragmentation of services in order to develop an integrated, accessible, and comprehensive system which offers hope and promotes economic self-sufficiency for all of Boston's residents.

JTPA FUNDING TO BOSTON FY84-FY91



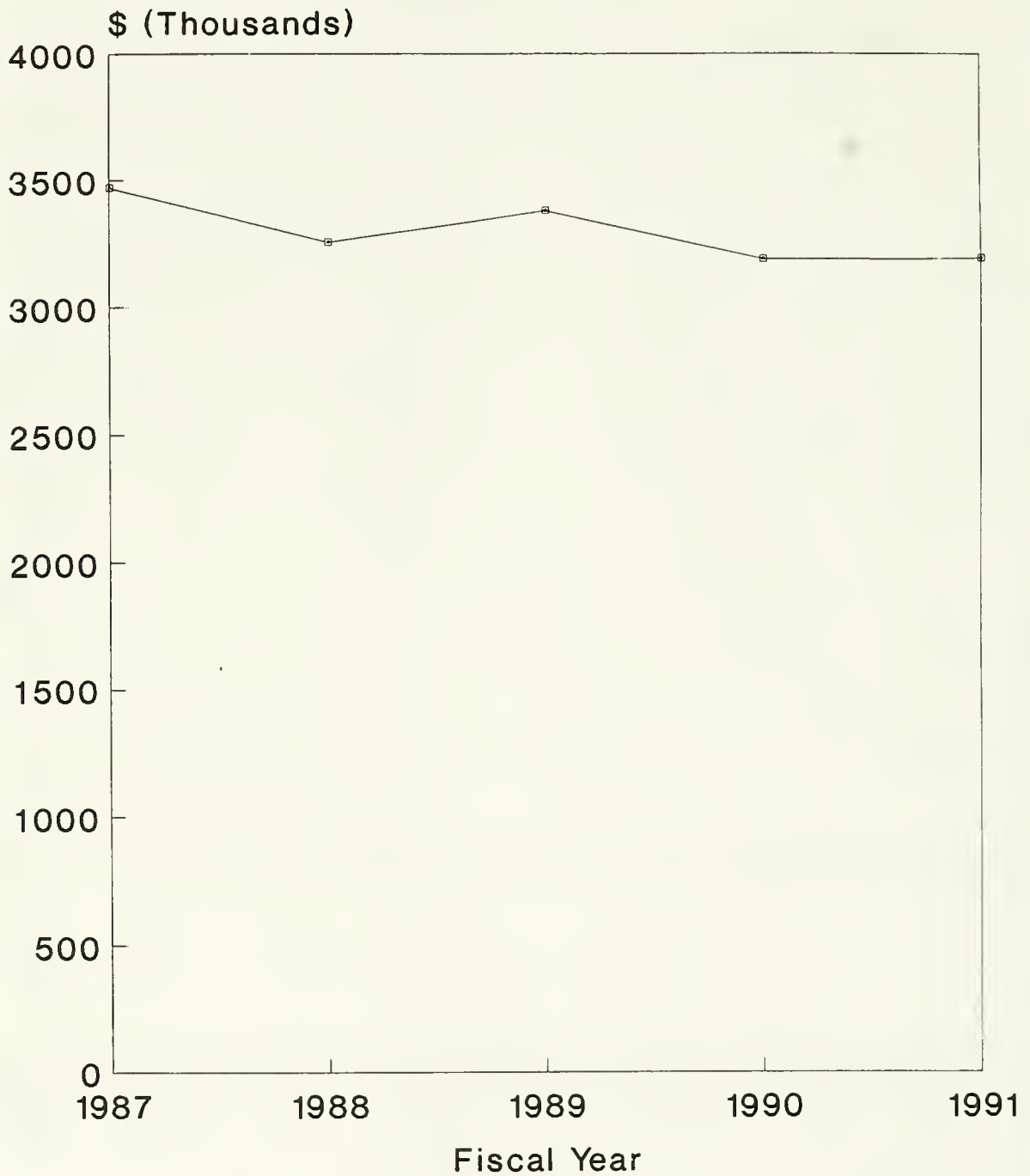
Source: MA DET.

TOTAL CDBG ALLOCATION TO BOSTON FY84-FY91



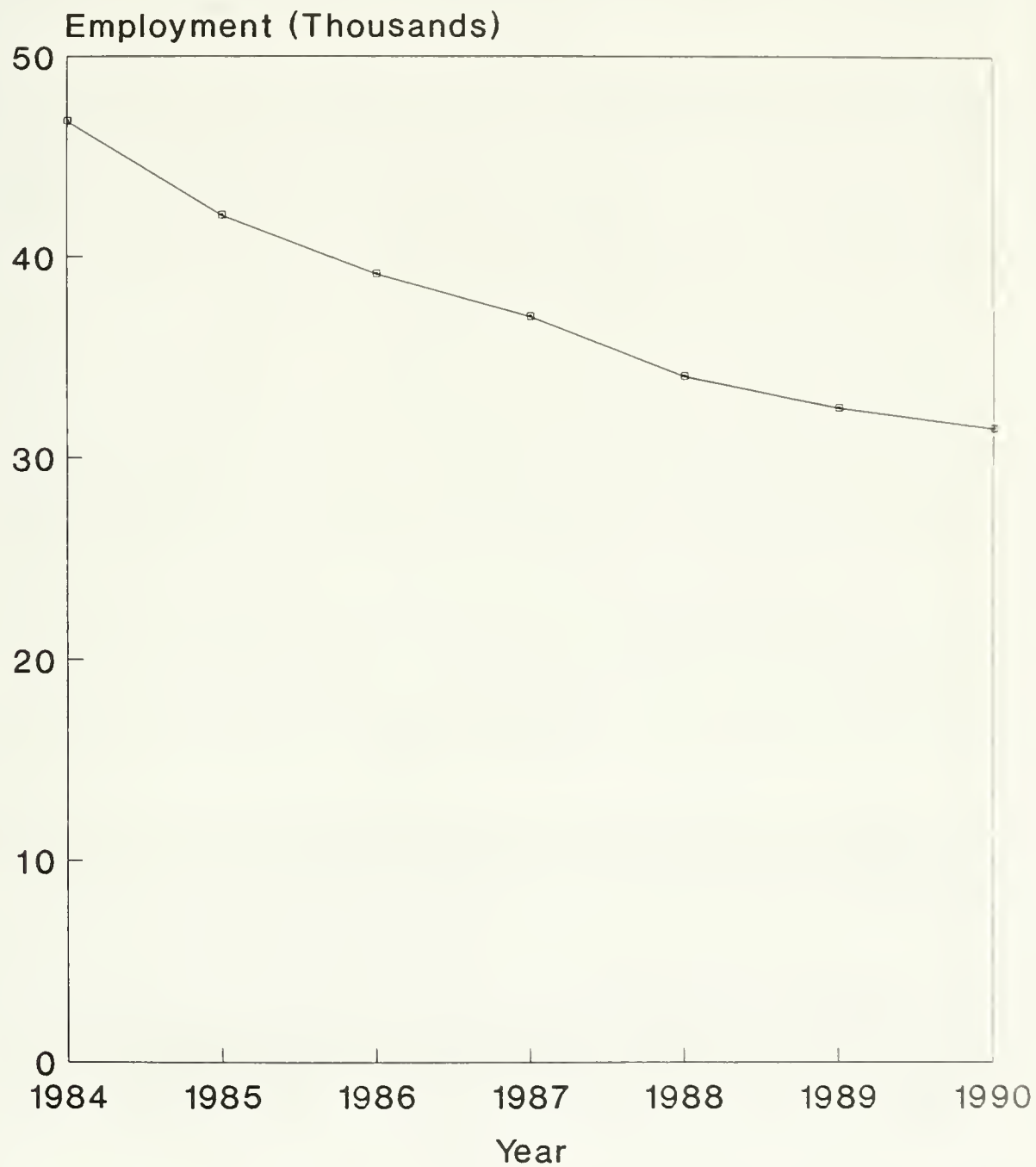
Source: Public Facilities Department

TOTAL CDBG HUMAN SERVICES ALLOCATION TO BOSTON, FY87-FY91



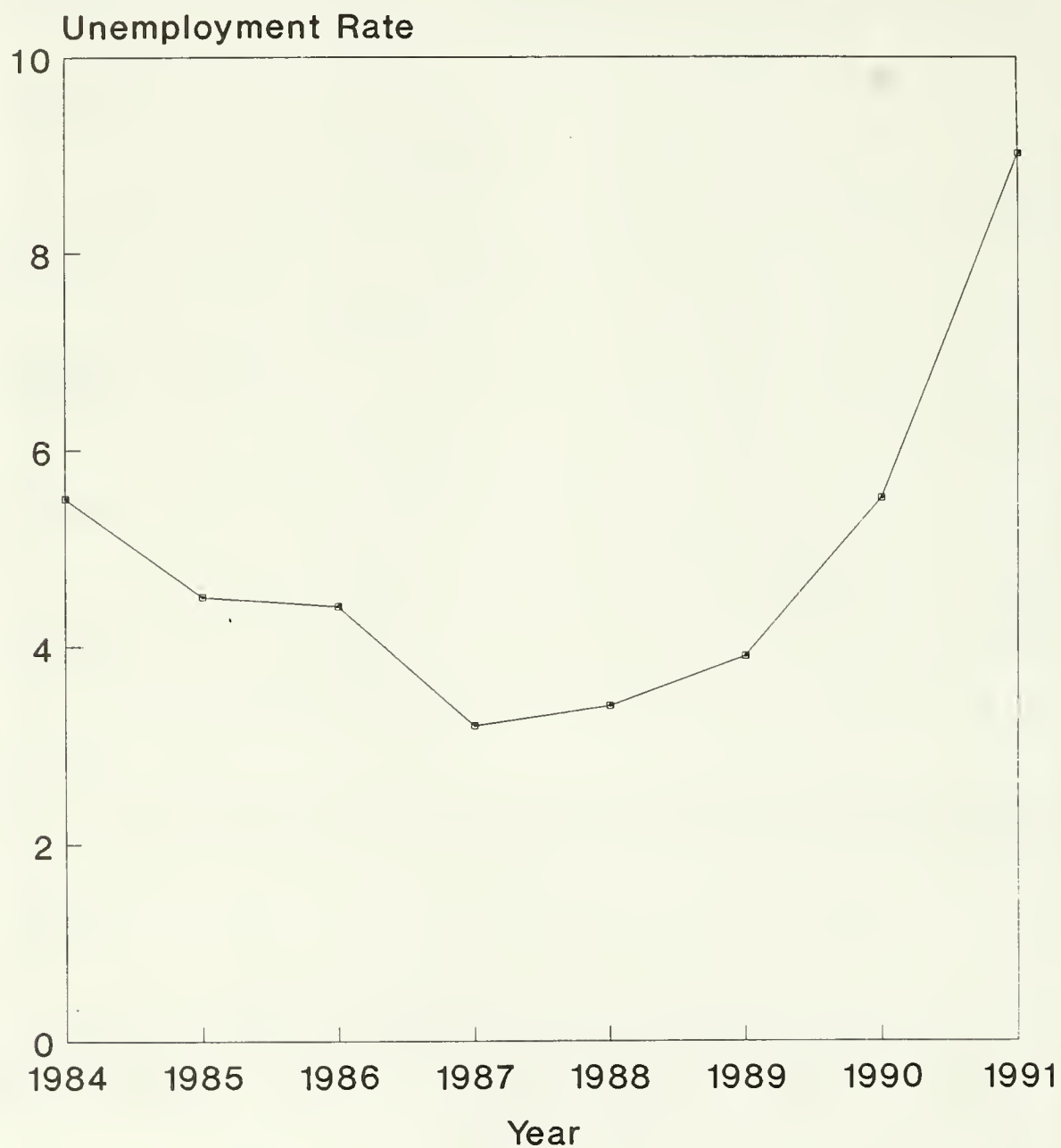
Source: Public Facilities Department

MANUFACTURING EMPLOYMENT IN BOSTON 1984-1990



Source: MA DET.

UNEMPLOYMENT IN BOSTON 1984-1991



Source: MA DET. 1991 data for Sept.

Eliminating Barriers to Economic Self-Sufficiency:

1992-93 CDBG FUNDING PRIORITIES:

EDIC has identified three major barriers to economic self-sufficiency: low educational attainment, insufficient child care resources, and a lack of coordination of support services. Our 1992 CDBG funding priorities reflect the level of effort which will be required to address these barriers.

I. Education: The economic and social well-being of families and communities in Boston has become increasingly associated with educational attainment of heads of family and their spouses. As the local economy continues to be dominated by the growth of "knowledge-based" industries such as health care, biotechnology, and environmental industries, job seekers with limited educational attainment or low occupational skills are at a substantial competitive disadvantage. Unfortunately, lack of a strong core vocational education program hampers the career mobility of many Boston residents who could most benefit from vocational-technical training.

Nearly half of the low-income adults in Boston have less than a high school diploma, in contrast to the non-poor, of whom nearly 60% have some education beyond high school. Similarly, half of Boston families headed by persons lacking a high school diploma live in poverty, as compared to 22% of families headed by a person with a high school diploma. Families which are headed by a college graduate have a poverty rate of only 2%. The highest family poverty rates are experienced by single-parent families headed by women with less than a high school diploma.

Those low-income Boston residents with limited English-speaking skills are at even greater risk for living in poverty. For example, of the 65% of low-income Hispanics who are high school dropouts, over half possess insufficient English-language skills based upon a study done by the Boston Foundation. In contrast, only 12% of Boston Hispanic high school graduates have insufficient English language skills, and 70% speak "good" or "very good" English.

Mean hourly wages of high school graduates in Boston (\$8.33) are 25% higher than the mean hourly wages of high school dropouts. The mean hourly wages for those with some college (\$9.29) are over 35% higher, while college graduates (\$15) attain mean hourly wages nearly three times those of high school dropouts.

Industry-sponsored research shows that less than 60% of high school seniors read at levels considered adequate for carrying out even moderately complex tasks. In Boston in 1991, even the attainment of a high school degree does not guarantee the recipient the skills required by many technology-based occupations. Pilot CDBG programs should offer many Boston residents a "second chance" to improve their

basic skills and receive relevant vocational education, complemented by strong support services, which enhances economic self-sufficiency and social well-being.

From an economic development perspective, the prospect of increasing numbers of Boston residents with limited educational attainment and low skills threatens to neutralize the region's competitive advantage as a growth center for new and emerging industry. The availability of a flexible, well-educated, and trainable workforce plays an increasingly important role in industry recruitment and retention. The Boston area, rich in higher education resources, is in danger of losing opportunity to foreign and domestic competitors if we continue to neglect the development of our own human resources.

EDIC estimates that current adult basic skills, literacy, and English-as-a-Second-Language programs serve fewer than 4% of all Boston residents who could benefit from such programs. These estimates of capacity correspond roughly to those across the Commonwealth, and across the nation as well. Although many existing programs offer high-quality education services to residents, their effectiveness is neutralized by a lack of coordination with skills training programs and essential social services. A few programs are linked to career development or occupational skills---successful models of this type need to be expanded or replicated.

This year, we encourage the development of CDBG education programs which move individuals and families toward greater economic self-sufficiency. Education programs which link services for youth, working families, and linguistic minorities must be structured to meet those populations' multiple needs. In particular, program models which address the learning needs of families, and link vital services such as childcare and counseling into a vocationally oriented education program are required. Pre-vocational youth education and career exploration programs which feature extensive counseling, and incorporate clients' employment needs, are also needed.

II. Child Care: Lack of access to child care resources has been shown to be an enormous barrier, particularly to single parents, to both educational attainment and participation in the labor force. Female heads of household with one or more children are at greatest risk of heading families living in poverty. Seventy per cent of low-income Boston residents who use child care other than that of a spouse rely on friends or relatives rather than a formal child care service. Almost half of Boston parents of school-aged children use a complicated patchwork of child care arrangements.

Child care must be consistent and of good quality if it is to have value. It should be affordable, accessible, and flexible to allow for the conflicting demands of school, work, and commuting. It should offer structure, continuity, education, and recreation to promote the emotional and social development of children served. Because of

state funding cuts, neither adequate capacity nor continuous systems of child care can be developed and maintained. Over 65% of Boston parents of school-aged children are employed or in training programs. The vast majority of these parents are unable to be home when their child returns from school. In many homes, adults must leave for work or training before their children leave for school. Recent studies reveal that a high percentage of low-to-moderate income women would seek employment or enter school or training if school-age child care were available. Nearly half of Boston parents would like to see after-school programs offered in their child's school. Despite the obvious need, however, almost 35% of parents seeking child care have been unable to find it over the past two years.

This year's CDBG priorities include child care services to working families, to young, single parents enrolled in education or training programs, and to parents with middle-school aged children. As in education programs, linkages to other services such as job training and literacy are a high priority. Programs which offer a "surround care" model to children of working parents are in need, along with after-school programs offered in the school building. Of particular interest are model programs which utilize an intergenerational approach such as utilizing the capacity of our elderly Boston residents as child care resources for education or training program participants.

III. Coordination of Support Services:

Boston residents encounter multiple barriers to economic self-sufficiency in addition to low skills and educational attainment, and unavailability of child care. Low educational attainment correlates highly with poverty, and high percentages of children who have learning difficulties have parents with low educational attainment. Violence continues to plague many Boston neighborhoods, while substance abuse and the allure of illicit drugs is entangled in the web of poverty. Lack of opportunity becomes a reinforcing cycle.

Counseling and support services which assist Boston residents in dealing with the stresses associated with poverty, including drugs, AIDS, violence, and the pressures of parenting, is a necessary support to promote economic and social well-being. The CDBG system must be a lifeline of support for low-income families and working parents.

Programs which offer healthy alternatives, particularly during after-school hours, for Boston youth are a high priority. Programs which build self-esteem and foster discipline, such as after-school sports and recreation, performing arts, and tutoring/educational counseling are in great demand in nearly every Boston neighborhood.

The CDBG system can also support the educational and vocational progress of Boston residents by supporting programs which address their needs for career information and goal-setting. Many Boston residents report that they receive little if any guidance regarding the availability of educational services. Few Boston residents with less than a high school diploma have knowledge of the skills and education requirements of high-demand careers in growing industries such as health care. CDBG social service programs which are closely linked to educational and career counseling into their services will better serve their clients than those which operate in isolation.

Because of their specific needs, and the importance of supporting a continuum of services which enable Boston's elderly population to be self-sufficient, elderly services continue to be a CDBG priority. Boston's elderly generally remain an untapped resource for promoting positive growth in their communities. Intergenerational programs which foster economic self-sufficiency for families, such as elderly tutoring programs, are of particular importance.

When services do exist in a neighborhood, we cannot assume that they are appropriately used by those residents who need them. The Boston Foundation reports that nearly three-quarters of all low-income Boston residents surveyed stated they are not familiar with any community group or organization in their neighborhood. In many Boston neighborhoods, the arrival of new immigrants, accompanied by an exodus of more established families, has resulted in a high level of social disorganization. This disorganization manifests itself in residents, particularly newcomers, not knowing of the existence of programs, or feeling overwhelmed by their life circumstances. In some cases, the lack of a culturally sensitive referral system may be the problem. In other neighborhoods, turf issues may result in competition for clients, while in still others, adequate services may not be available.

With the goal of improving delivery of integrated, multiple services to Boston residents, EDIC is hopeful that CDBG funding will foster collaboration and coordination of neighborhood-based services which are responsive to the changing economic self-sufficiency needs of residents and the community. EDIC, in conjunction with other city agencies, Healthy Boston, and the Boston Foundation, will give high priority to service providers who demonstrate that genuine cooperation and collaboration have occurred at the neighborhood level. Programs which address the multiple needs of low-income residents and, particularly, families, through cooperative linked services are building capacity which is needed in order to break down barriers to economic self-sufficiency.

**FY 92 EDIC Funding Priorities
Community Development Block Grant (CDBG) Program**

Service providers who demonstrate, through collaboration and linked services, a comprehensive approach to individuals', families', and communities' economic self-sufficiency needs, will receive the highest priority for funding.

Categories in order of priorities:

1. Education
 - A. Adults
 - B. Youth
2. Child Care
3. Support Services: linked, integrated services which promote economic self-sufficiency

Priority Low-to-Moderate Income Target Populations:

1. Youth
2. Working Families
3. Linguistic Minorities
4. Persons with Disabilities
5. Homeless
6. Elderly

